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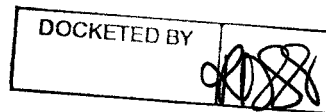
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ARIZONA CORPORATION COMMISSION

January 16, 2007
Arizona Corporation Commission
DOCKETED

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Michael W. Patten
Roshka DeWulf & Patten, PLC
One Arizona Center Street
400 East Van Buren Street, Suite 800
Phoenix, Arizona 85004

RE: Water Utility of Greater Buckeye – Application for Extension of its Certificate of Convenience and Necessity (CC&N) Docket No. W-02451A-06-0792
INSUFFICIENCY LETTER

Dear Sir:

In reference to the above mentioned application filed on December 18, 2006, this letter is to inform you that the application has not met the sufficiency requirements as outlined in the Arizona Administrative Code. The deficiencies are:

1. Please provide a copy of the water usage data for the last 13 months for Water Utility of Greater Buckeye ("WUGB") water systems.
2. Please specify the acreage of WUGB's existing CC&N and provide a detailed proximity map.
3. According to Exhibit 8 of the Application, WUGB has 4 existing water systems. Please provide the following information related to these water systems:
 - a). A detailed proximity map showing the location of each water system.
 - b). A most recent ADEQ/ MCESD Drinking Water Compliance Report for each water system.
4. According to the information reported in the 2005 Annual Reports for WUGB, the level of arsenic in Sweetwater II and Sonoran Ridge Water Systems exceeds the new arsenic standard of 0.01 mg/l. The reported nitrate level in Sweetwater II water system exceeds the maximum contamination level of 10 mg/l. Please address what steps are taken to resolve these issues.

5. The submitted Exhibit 10 provides information for only the **on-site** water lines within Montana Vista. Please specify which existing system(s) will serve the proposed CC&N extension area.
6. Please provide detailed Master Plan explaining the **off-site** infrastructure, including existing and additional facilities, such as, sources of water supply (interconnection, if any), treatment, storage, booster and distribution facilities. Please provide proximity map showing the infrastructure's layout.
7. The submitted Exhibits 4 and 9 are incomplete. Please provide an estimate of the **off-site** water facilities costs necessary to serve the proposed CC&N extension area. The cost should include a description of the major components (see item # 6 above) with the cost of the component, including cost of treatment installation, if required (see item # 4 above). Please explain the method of financing for the major components.
8. Please state the estimated number of customers expected for each water system (existing and proposed) in the next five years. This information will enable the Commission Staff to perform analysis and determine if each water system has adequate water production and storage capacity to serve the existing base of customers and expected growth within a five-year planning period.
9. The submitted request for service (Exhibit 2) has not been signed. Please provide a signed request for service.
10. Please indicate who will be providing wastewater service in the proposed extension area.
11. Please provide a copy of the Maricopa County franchise agreement that includes the proposed extension area. If the franchise agreement(s) has not been issued, please inform Staff of the status of the application for the franchise agreement.
12. Staff understanding that the Town of Buckeye did initiate a condemnation proceeding in order to take over WUGB's CC&N areas. Please inform Staff of the status of the application. Also provide Staff a copy of all the information WUGB has regarding the proceeding.

Staff would like to use this opportunity to bring the following to your attention:

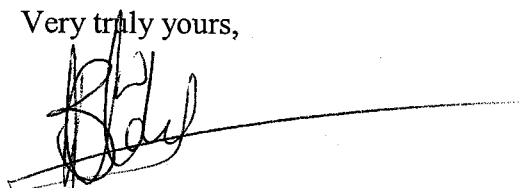
- Pursuant to the Arizona Administrative Code ("A.A.C.") R-14-2-411(C), upon meeting sufficiency requirements, the Commission has 150 calendar days for its substantive review. This includes conducting a hearing and preparing Opinion and Order to present to the Commission at an Open Meeting; and
- Pursuant to A.A.C. R14-2-411(C)(3), Staff may terminate an application if the applicant does not remedy all deficiencies within 60 calendar days of the notice of deficiency.

WUGB (Docket No. W-02451A-06-0792)
Insufficiency Letter
1/16/2007
Page 3 of 3

Please file your response to this Insufficiency Letter with Docket Control.

If you have any questions concerning this matter, please do not hesitate to contact me at 602-542-0840 or Katrin Stukov at 602-542-0941.

Very truly yours,

A handwritten signature in black ink, appearing to read 'B. Chukwu', with a long horizontal line extending to the right.

Blessing N. Chukwu
Executive Consultant III

BNC

cc: Docket Control
Del Smith
Lyn Farmer
Brian Bozzo
Vicki Wallace